

VisionIP: Check21

Delivering an end-to-end, image-enabled electronic payments environment

Metavante's VisionIP: Check21 solution extends conventional item processing capabilities to handle all electronic and distributed item processing needs. This includes receiving remote deposit files, electronic image cash letters (ICL), image quality assurance and usability, substitute check and image replacement document (IRD) creation, and image exchange with several national exchanges, including the Fed and Endpoint Exchange.

The VisionIP: Check21 solution, when combined with VisionIP: Conventional Image software, provides financial institutions with a comprehensive, end-to-end, image-enabled electronic payments environment.

Image Exchange

Check image exchange is quickly emerging as the primary method for clearing and settling check payments in a post-Check 21 world. The true benefits of check image exchange are realized when the thousands of "endpoints" – financial institutions across the country maintaining checking accounts – are able to send and receive images for clearing and settlement.

Interoperability between image exchange networks will become an increasingly important factor in the industry's adoption of check image exchange and the continued ability to maximize the benefits of Check 21.

VisionIP: Check21 allows financial institutions that are members of the leading image exchange networks to exchange check images and settle payment transactions with participants of other national networks. The

VisionIP: Check21 software provides the gateway to support check image exchanges through Endpoint Exchange, the Federal Reserve, SVPCO, and Viewpointe.

With the VisionIP: Check21 solution, an infrastructure is created that ensures the bottom-line benefits and transaction cost advantages of check image exchange and electronic clearing and settlement – regardless of which popular image exchange network a financial institution belongs to.

The VisionIP: Check21 solution embraces interoperability for all IP platforms, allowing for seamless and efficient check image exchange with other financial institutions, despite any system and/or platform processing differences.

The VisionIP: Check21 solution automatically identifies and processes input based on source information. Utilizing a user-customized workflow, VisionIP: Check21 software can be set up to automate selected edits and perform image quality assurance on incoming items.

Metavante's VisionIP: Check21 solution receives electronic data – with or without check images – and imports this data into the VisionIP: Check21 Warehouse. From here, the data is "perfected" using DREAM (Dynamic Reject Entry Automation Module), state-of-the-art image quality assurance tests, Courtesy Amount Recognition and Legal Amount Recognition (CAR/LAR), Amount Encode/Declared Verification (AEV), and data mining. Upon completion of these processes, the data is exported to the appropriate banking system for posting, or forwarded to a check image exchange network for clearing and settlement, including the ability to manage the electronic cash letter process.



VisionIP: Check 21

The VisionIP: Check21 solution includes the following features:

- **Seamless interoperability between the leading national check image exchange networks** – the Endpoint Exchange Network, the Federal Reserve’s FedImage Services, Viewpointe, and SVPCO – enabling your institution to exchange check images with thousands of depository institutions in every Federal Reserve district across the country.
- **Send and receive from multiple check image exchange networks using multiple workflows** – This unique design advantage allows your institution to utilize the optimum check clearing method, improving float and collection cycles and significantly reducing your institution’s cost per transaction.

Available Modules for Interfacing to the Leading Check Image Exchange Networks:

- **Endpoint** – send and receive to the Endpoint Exchange Network
- **Bilateral (x9.37)** – bilateral send, receive, and settlement of truncated, image-based payments to an individual institution
- **SVPCO** – send and receive SVPCO files in the ECP/ECPi/ICL format, track the item posting status to the host, create host reversals, and create SVPCO returns for reversals
- **Fed** – supports the Fed ASC x9.37 format, and supports sending and receiving to the Fed

A “Virtual Capture” Infrastructure

In addition to image exchange, the VisionIP: Check21 solution includes several other “virtual” processing features:

An x9.37 file for items that require an IRD (also known as “substitute check”). The output can be forwarded to any IRD print solution, including third-party service providers or in-house printing sub-systems.

Manage the electronic return process for all check images. Receives outgoing x9.37 return decision files from third-party decision systems, and also handles incoming return files and maps the return to the original source, creating and sending a return letter by source.

Distributed capture input processing for deposited items from the Metavante Image Solutions Direct suite of remote capture solutions and from other vendors’ distributed image capture solutions for ATM, branch, merchant, etc. Separates the images requiring image quality perfection and the images requiring edits, and can create user-defined workflows.

Electronic deposit processing output designed to allow a financial institution to format and create a deposit for upstream correspondent processing.

Automates image file creation for output and storage into multiple check image archive systems.

IRD and Substitute Check

Under Check 21, banks, credit unions, and savings institutions are able to use digital images and electronic check information to create substitute checks. This allows financial institutions to collect and return checks more quickly without waiting for the original checks to be delivered to the institution’s processing operation. These substitute checks serve as the legal equivalent of



VisionIP: Check 21

the original check and are used in situations where a paper version of a check is required after the original has been imaged and truncated.

There is still a dwindling percentage of U.S. financial institutions that do not have the capability to receive electronic image transmissions in lieu of paper checks. As a result, these transmissions must be converted back into paper as substitute checks before they can be deposited.

Financial institutions on the receiving end of an electronic payment are not required to accommodate an electronic item. The paying institution must determine whether paper (original check or substitute check) or electronic images will serve as the legal presentment. Substitute checks make this possible. Substitute check creation is discretionary, but its acceptance is mandatory.

Check 21 enables financial institutions to achieve many of the benefits of check imaging, without mandating the receipt of checks in electronic form.

Substitute checks are one solution to expedite check clearing, and the VisionIP: Check21 solution simplifies the management of substitute checks for your financial institution. Metavante's VisionIP: Check21 solution provides substitute checks for forward presentment, outgoing returns, and customer chargebacks. The solution will also print IRDs for non-truncated statements and customer notifications.

Image Quality Assurance

VisionIP: Check21 image quality assurance (IQA) tests check images for potential image defects and usability problems.

IQA analyzes check images, flagging poor-quality images for repair and ensuring that your institution archives and forward-presents only high-quality check images,

preventing unusable check images (and their financial exposure) from entering the payments system.

Concerns over image quality have been increasing as financial institutions have begun joining image exchange networks in record numbers. Check image exchange networks make the receiving institution dependent upon images captured by the sending institution or by other third parties. This concerns receiving institutions, for fear they may find that an image is unusable only after Reg. CC deadlines for returning the item have passed.

Sending institutions are concerned that they may unwittingly forward-present images of unusable quality simply out of ignorance or because of a problem within their capture system.

The VisionIP: Check21 solution addresses both concerns with its new Image Quality Assurance suite. The IQA performs 49 tests for image quality and image usability on each item *before* archival and image exchange, helping to verify that images forward-presented to an image exchange network are of the highest quality. IQA diminishes the risk of your institution forward-presenting items that are bounced back, delaying the clearing, settlement, and collection process, and losing some of the savings achieved through electronic check image exchange, clearing, and settlement.

VisionIP: Check21 IQA software assures your financial institution of meeting the industry's most rigid check image quality assurance standards and receiving all the operational benefits and cost savings associated with electronic check image exchange, clearing, and settlement.



VisionIP: Check 21

Assessment and Verification

Many of the national check image exchange networks are encouraging financial institutions to integrate image quality assurance programs into their image capture subsystems – upstream of the check image exchange network.

VisionIP: Check21 IQA software makes it possible to screen check images for defects and allow corrective downstream payment processes. For the exchange of check images to be successful, the images must be readable and verifiable at the receiving institutions. The 49 tests performed by the IQA suite help to ensure the integrity of check transit images prior to the handoff to a check image exchange network.

These tests also help to ensure the quality of the on-us and other non-exchangeable items to be stored in an institution's check image archive.

Meets the FSTC Image Quality and Usability Assurance Initiative Requirements

The Financial Services Technology Consortium (FSTC) defined the operational framework that ensures that any check image, regardless of its capture point, meets the industry's minimum requirements. The creation of an industry-wide framework reduces the financial and operational risk of processing check images, and makes it possible for all financial institutions to realize the benefits of Check 21.

VisionIP: Check21 IQA image quality and usability tests meet the 16 quality indicators defined by the FSTC, address your institution's need for consistent check image integrity and availability, and improve reliability for exchange between collecting and paying banks.

Correction and Management

The VisionIP: Check21 IQA suite inspects the front and back of each captured check image, testing for a variety of potential image quality problems. These tests allow your financial institution to identify and correct poor-quality images stored in your image archive. All of the VisionIP: Check21 IQA tests conform to or exceed standard industry metrics for image quality and usability.

Once an item is flagged by one of these tests, it is routed for review and repair, ensuring the archival and transmission of high-quality images.

Image quality tests include:

- Partial images
- Missing or obstructed image segments
- Streaks
- Missing corners
- Too dark or too light to be read
- Carrier detection
- Image-to-data mismatch

Image usability tests include:

- Endorsements
- Date
- Payee line
- Signature
- Courtesy and legal amounts
- Payer information
- Bank name and address
- Readability of MICR line

VisionIP: Check 21

VisionIP: Check21 Transaction Cost Advantages

- Reduced sorter bandwidth
- Reduced back-office staffing
- No manual proof of deposit
- Smaller housing footprint
- Reduced hardware maintenance
- Reduced courier costs with electronic cash letters
- Improved funds availability
- Automated processing

Additional Functionality

Metavante's VisionIP: Check21 solution not only creates and imports x9.37 files, but also contains additional functionality and tools needed to effectively process these files. These modules include:

IMPORT MANAGER

The VisionIP: Check21 Import Manager is responsible for:

- IQA (Image Quality Assurance) on incoming items
- DREAM (Dynamic Reject Entry Automation Module), a data perfection process
- Assigning sequence numbers
- Performing the on-us item edits
- Performing duplicate detection (file level and item level)
- Creating files that are used in all subsequent Day 1 and Day 2 processing

EXPORT MANAGER

The VisionIP: Check21 Export Manager provides functionality to format and create outgoing files for electronic image exchange. The data exported is selected based on query results and can include:

- Account posting files
- General ledger posting files
- All items files
- Electronic exchange files
- Cash letter files

WAREHOUSE MANAGER

The VisionIP: Check21 Warehouse Manager includes major functions such as:

- File validation
- Settlement reports
- Cash letter reports
- System monitoring
- Termination or processing restarts
- Statistical information
- Audit reports

Contact Us

For more information, contact Metavante Image Solutions at 1-800-822-6758, or visit us at metavante.com.